

December 19, 2008

**WORKING TO PUT TOGETHER
AN ECONOMIC STABILIZATION AND RECOVERY PACKAGE**

"We need action, and action now!" That's what Franklin Roosevelt told the nation when faced with an economic crisis similar to the one we face right now. And it's just as true today as it was when he said it in 1932.

We are experiencing the most serious economic crisis since the Great Depression. The U.S. economy has lost almost two million jobs over the last year; leaving one out of every eight Americans in the work force either unemployed or underemployed. And if the economy continues to shed jobs at the rate it has been over the last three months, we'll have lost five million jobs in a year.

If we, as a nation, don't deal with this crisis imaginatively and aggressively we'll see millions of additional people unemployed, thousands of businesses closed and we'll be facing five to ten years of economic doldrums that would shatter the economic security of millions of families. That's why we've got to take firm and aggressive action to help stabilize the economy and restore people's confidence. Even with firm government action, we're in for a rocky ride because it's taken us a decade or more to get into this mess and it will take years to correct. There is no quick fix. But with swift action we can limit the damage and hasten the day of recovery.

That's why the Federal Reserve has taken aggressive steps and why the Administration asked for \$700 billion to shore up the country's financial system. Without those actions, our banking system would be in widespread collapse. But, while we have, for the moment, averted catastrophe in the financial system, the Main Street economy is still in great danger. That's why virtually every reputable economist - conservative and progressive alike - are urging Congress to inject a large amount of money into the economy to prevent the loss of millions of jobs.

Since September we've been pushing to do just that, but the Administration has declined. So I am now working with the Congressional leadership and the incoming Administration to produce

a much more comprehensive recovery package that we can present to the new President as soon as he is sworn in on January 20th.

The goal is to create at least two million jobs. But it's not enough, however, to just throw money at the problem. We need to try to invest those dollars in activities that will not just create jobs in the short run but will also grow the economy in the long run so that the incomes of average families will once more begin to rise.

We hope to put a package together that will do five things:

1. Provide tax cuts to middle income families to put more money in people's pockets.
2. Jump start jobs through infrastructure investments into roads, highways, bridges, sewer and water repairs, modernizing the electric grid and expanding broadband access.
3. Help the most seriously affected victims of the recession who are losing their jobs, their health insurance, and are facing increased difficulty sending their kids to college.
4. Modernize and reform the economy by making long overdue investments in technology and energy research.
5. Save jobs by stabilizing state and local budgets. States are facing huge budget deficits because of the economic slide. Governors from both parties are warning that without substantial help they will be forced to raise taxes and slash crucial education and health services. Those actions would further weaken the economy's ability to grow.

The need for action is obvious. One respected economist, who was a close advisor to Senator McCain, has told us that the economy is so weak that, even if we have a \$700 billion economic recovery investment package, we could still expect to see unemployment hovering around seven percent two years from now; and between nine and ten percent if we do nothing at all.

The future welfare of millions of American families is at stake. As Roosevelt said, we need action now! With the right decisions and the right leadership, we can come out of this crisis with

a stronger and more vibrant economy than ever before. But it will take repeated action and constant adjustment to changing circumstances to do so.

We're all in this together, and we need to set political ideology aside and get to work.